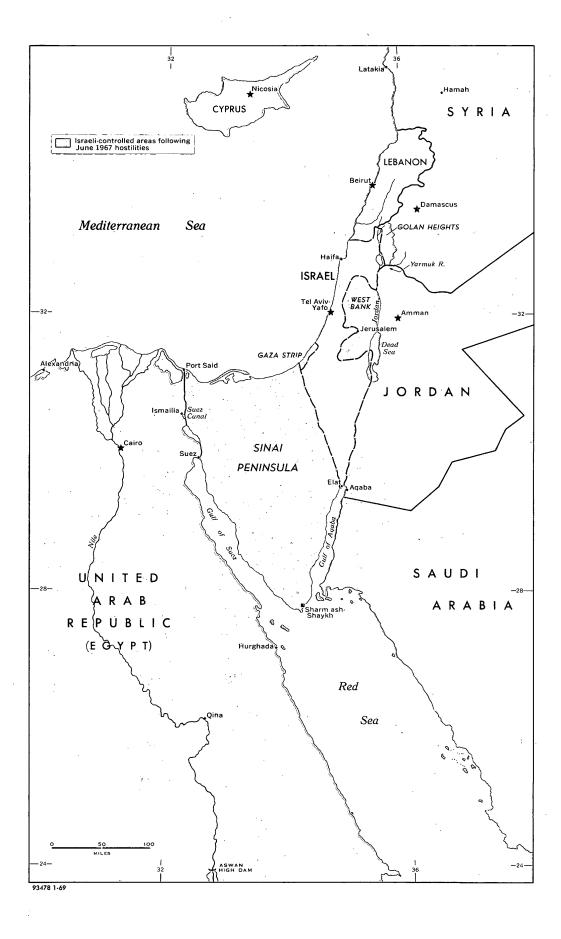


The President's Daily Brief

10 March 1969
(Morning)
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Top Secret 50X1



I. MAJOR PROBLEMS

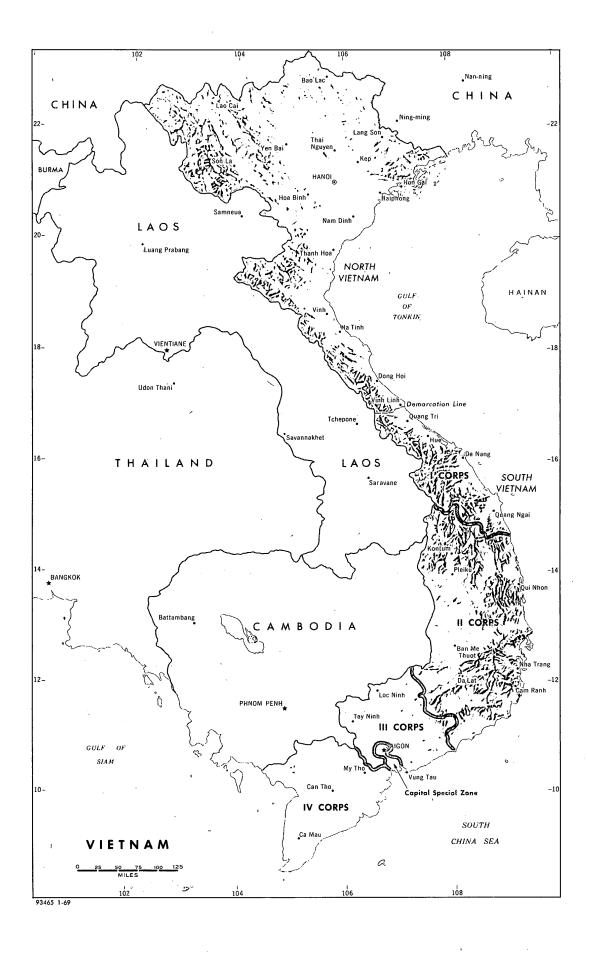
MIDDLE EAST

The exchange of artillery fire across the Suez Canal over the weekend--the heaviest since last fall--increases the prospect of additional Israeli action. One possibility is a strong 50X1 airstrike against Egyptian artillery positions along the Canal.

In the recent artillery duel, damage to the Egyptian oil refinery at Port Suez apparently was confined to several storage tanks. Cairo Radio reports, however, that General Riad, UAR Chief of Staff, was killed by Israeli artillery along the Canal on 9 March. Since the war of June 1967, there have been reports that Riad was not the most loyal supporter of Nasir.

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EUROPE

All three French labor organizations—Communist, Socialist, and Catholic-oriented—are now supporting Tuesday's general strike, and union leaders claim that in some industries it might extend beyond the 24-hour limit. Communist and non-Communist student organizations have also declared their support of the strike, although labor continues to stress the economic issues behind the strike and is cool to cooperation with the student aims.

SOVIET AFFAIRS

There is nothing significant to report.

VIETNAM

The pace of Communist-initiated military action increased in III Corps during the past forty-eight hours. Heaviest fighting occurred in Tay Ninh Province, where several stiff clashes were reported. An intercepted enemy message suggests that the upsurge in Communist activity was timed to coincide with Secretary Laird's visit.

The increased action noted in III Corps is expected to continue. There are indications that the Communists may attempt to raise the level of combat in I and IV corps as well, possibly beginning within the next day or two.

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FOR THE PRESIDENT ONLY

Thus far in the Communists' current offensive, little effort appears to have been made by the enemy against the government's pacification program. Pacification has been brought to a halt in perhaps three provinces and has received a setback in three others. In the rest of the country, the program is proceeding on a business-as-usual basis. We think it probable, however, that before the current campaign runs its course the Communists will exercise their option to strike heavier blows against the government's pacification efforts.

* * :

President Thieu plans to name Dr. Phan Quang Dan as Minister of Agriculture. Thieu believes Dr. Dan will bring considerable energy and dynamism to that post, something which will be needed in implementing land reform policies. Dr. Dan has already told the US Embassy that he hoped to get back into the cabinet and that he particularly hoped for the Agriculture Ministry.

Opposition to Dr. Dan from the National Assembly probably has abated since last year when he was summarily removed from the cabinet because of his suggestion that the South Vietnamese Government talk with the Liberation Front. Since that time both Vice President Ky and Prime Minister Huong have made similar statements, and the National Assembly, as well as public opinion, have probably moved far enough now to make Dr. Dan's appointment acceptable. Moreover, Dr. Dan is a proven vote

getter, and his inclusion in the cabinet should help broaden popular support for the government. His enthusiasm on the subject of land reform should make him an excellent choice for the Agriculture Ministry.

II. OTHER IMPORTANT DEVELOPMENTS

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